

***Financial Report***

***Lafourche Parish Drainage District No. 1***

***Galliano, Louisiana***

***December 31, 2000***

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## **Lafourche Parish Drainage District No. 1**

December 31, 2000

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## **FINANCIAL SECTION**





**Bourgeois Bennett**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners,  
Lafourche Parish Drainage District No. 1,  
Galliano, Louisiana.

We have audited the accompanying general-purpose financial statements of Lafourche Parish Drainage District No. 1, (the District), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lafourche Parish Drainage District No. 1, as of December 31, 2000, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the financial statements, the District changed its accounting policy for the recognition of ad valorem tax revenues.

In accordance with Government Auditing Standards, we have also issued our report dated February 12, 2001 on our consideration of the Lafourche Parish Drainage District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Thibodaux, La.,  
February 12, 2001.

**COMBINED BALANCE SHEET -**  
**GOVERNMENTAL FUND TYPES AND ACCOUNT GROUP**

**Lafourche Parish Drainage District No. 1**

December 31, 2000

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets</b>			
Cash	\$ 3,679	\$ 2,105	\$ 1,305
Investments	644,204	20,466	113,617
Receivables - taxes	33,157	-	-
Due from other governmental units	87,550	-	-
<b>Other Debits</b>			
Amount available in debt service fund	-	-	-
<b>Total assets and other debits</b>	<u><u>\$ 768,590</u></u>	<u><u>\$ 22,571</u></u>	<u><u>\$ 114,922</u></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Accounts payable	\$ 302		
Deferred revenue	120,706		
Bonds payable	-		
<b>Total liabilities</b>	<u>121,008</u>		
<b>Equity</b>			
Fund balances:			
Reserved for debt service	-	\$ -	\$ 95,000
Unreserved	647,582	22,571	19,922
<b>Total equity</b>	<u>647,582</u>	<u>22,571</u>	<u>114,922</u>
<b>Total liabilities and equity</b>	<u><u>\$ 768,590</u></u>	<u><u>\$ 22,571</u></u>	<u><u>\$ 114,922</u></u>

See notes to financial statements.

<u>Account Group</u> <u>General</u> <u>Long-Term</u> <u>Debt</u>	<u>Total</u> <u>(Memorandum</u> <u>Only)</u>
\$ -	\$ 7,089
-	778,287
-	33,157
-	87,550
<u>95,000</u>	<u>95,000</u>
<u>\$ 95,000</u>	<u>\$ 1,001,083</u>
\$ -	\$ 302
-	120,706
<u>95,000</u>	<u>95,000</u>
<u>95,000</u>	<u>216,008</u>
	95,000
	<u>690,075</u>
	<u>785,075</u>
<u>\$ 95,000</u>	<u>\$ 1,001,083</u>



**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES**

**Lafourche Parish Drainage District No. 1**

For the year ended December 31, 2000

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total (Memorandum Only)</u>
<b>Revenues</b>				
Taxes	\$ 324	\$ -	\$ 295	\$ 619
Miscellaneous - interest	42,049	6,266	6,875	55,190
Total revenues	<u>42,373</u>	<u>6,266</u>	<u>7,170</u>	<u>55,809</u>
<b>Expenditures</b>				
Current:				
General government:				
Ad valorem tax adjustments	<u>746</u>		<u>2,700</u>	<u>3,446</u>
Public works:				
Personal services	14,468	-		14,468
Supplies and materials	175	-		175
Other services and charges	16,624	-		16,624
Repairs and maintenance	20,651	-		20,651
Capital expenditures	<u>-</u>	<u>97,427</u>		<u>97,427</u>
Total public works	<u>51,918</u>	<u>97,427</u>		<u>149,345</u>
Debt service:				
Principal retirement			45,000	45,000
Interest and fiscal charges			<u>6,801</u>	<u>6,801</u>
Total debt service			<u>51,801</u>	<u>51,801</u>
Total expenditures	<u>52,664</u>	<u>97,427</u>	<u>54,501</u>	<u>204,592</u>
Deficiency of revenues over expenditures (carry forward)	<u>(10,291)</u>	<u>(91,161)</u>	<u>(47,331)</u>	<u>(148,783)</u>

**Exhibit B  
(Continued)**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total (Memorandum Only)</u>
Deficiency of revenues over expenditures (carry forward)	(10,291)	(91,161)	(47,331)	(148,783)
<b>Other Financing Source</b> Proceeds of general fixed asset dispositions	<u>-</u>	<u>5,900</u>	<u>-</u>	<u>5,900</u>
<b>Deficiency of Revenues and Other Financing Source over Expenditures</b>	(10,291)	(85,261)	(47,331)	(142,883)
<b>Fund Balances</b> Beginning of year	<u>657,873</u>	<u>107,832</u>	<u>162,253</u>	<u>927,958</u>
End of year	<u><u>\$ 647,582</u></u>	<u><u>\$ 22,571</u></u>	<u><u>\$ 114,922</u></u>	<u><u>\$ 785,075</u></u>

See notes to financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
GOVERNMENTAL FUND TYPES**

**Lafourche Parish Drainage District No. 1**

For the year ended December 31, 2000

	General Fund		Variance
	Budget	Budgetary Basis	Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$ 94,000	\$ 106,157	\$ 12,157
Intergovernmental:			
State of Louisiana:			
State revenue sharing	14,832	14,874	42
Miscellaneous:			
Interest	28,300	42,049	13,749
Other	166	-	(166)
Total revenues	<u>137,298</u>	<u>163,080</u>	<u>25,782</u>
<b>Expenditures</b>			
Current:			
General government:			
Ad valorem tax adjustment	800	746	54
Ad valorem tax deduction	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total general government	<u>2,800</u>	<u>746</u>	<u>2,054</u>
Public works:			
Personal services	17,400	14,468	2,932
Supplies and materials	200	175	25
Other services and charges	13,040	16,624	(3,584)
Repairs and maintenance	40,000	20,651	19,349
Capital expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total public works	<u>70,640</u>	<u>51,918</u>	<u>18,722</u>
Total expenditures	<u>73,440</u>	<u>52,664</u>	<u>20,776</u>
Excess (deficiency) of revenues over expenditures	63,858	110,416	46,558
<b>Other Financing Source</b>			
Proceeds of general fixed asset dispositions	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Financing Source Over Expenditures</b>	<u>\$ 63,858</u>	<u>\$ 110,416</u>	<u>\$ 46,558</u>
<b>Fund Balances</b>			
Beginning of year			
End of year			

See notes to financial statements.

Special Revenue Fund		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
6,200	6,266	66
-	-	-
<u>6,200</u>	<u>6,266</u>	<u>66</u>
-	-	-
-	-	-
-	-	-
98,000	97,427	573
<u>98,000</u>	<u>97,427</u>	<u>573</u>
<u>98,000</u>	<u>97,427</u>	<u>573</u>
(91,800)	(91,161)	639
<u>5,900</u>	<u>5,900</u>	<u>-</u>
(85,900)	(85,261)	639
<u>107,832</u>	<u>107,832</u>	<u>-</u>
<u>\$ 21,932</u>	<u>\$ 22,571</u>	<u>\$ 639</u>



**NOTES TO FINANCIAL STATEMENTS****Lafourche Parish Drainage District No. 1**

December 31, 2000

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Lafourche Parish Drainage District No. 1 (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a) Reporting Entity**

The District is a component unit of the Lafourche Parish Council, (the Council). The District has reviewed all of its activities and determined that there are no potential component units, which should be included in its financial statements.

**b) Fund Accounting**

The District uses funds and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**Governmental Funds**

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following on the next page are the Governmental Funds of the District:

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Fund Accounting (Continued)**

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Account Group**

An account group is used to establish accounting control and accountability. The District's Account Group is as follows:

**General Long-Term Debt Account Group** - This account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

**c) Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2000 property taxes which are being levied to finance the 2001 budget will be recognized as revenue in 2001. The 2000 tax levy is recorded as deferred revenue in the District's 2000 financial statements. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Accounting (Continued)**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

**d) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**e) Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund and Special Revenue Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its General Fund and Special Revenue Fund budgets once during the year. All budgeted amounts, which are not expended, or obligated through contracts, lapse at year end.

The Special Revenue Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type - General Fund is presented on the budgetary basis to provide a comparison of actual results with the budget. The major difference between the GAAP basis and budgetary basis is that:

Revenues from ad valorem tax and the related state revenue sharing are recognized in the period for which levied, during the year ending December 31, 2001, (GAAP basis). Revenues from ad valorem tax and state revenue sharing are recognized at the time of levy, during the year ended December 31, 2000, (budgetary basis).

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Operating Budgetary Data (Continued)**

The adjustments necessary to convert the results of operations for the year from the GAAP basis to the budgetary basis for the general fund are as follows:

	<u>Excess (Deficiency) of Revenues Over Expenditures</u>
GAAP basis (as reported)	<u>\$ (10,291)</u>
Adjustments:	
Revenues:	
Taxes	105,833
Intergovernmental	<u>14,874</u>
Total revenue adjustments	<u>120,707</u>
Budgetary basis	<u>\$110,416</u>

**f) Accounts Receivable**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

**g) Investments**

Investments consist of certificates of deposit, which are stated at cost and approximate market value.

**h) Long-Term Debt**

Long-term debt is recognized as a liability of a Governmental Fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Vacation and Sick Leave**

The District has no full-time employees. There is no accumulated unpaid vacation and sick leave at December 31, 2000.

**j) Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the District.

**k) Memorandum Only - Total Columns**

The total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

**Note 2 - CHANGE IN ACCOUNTING POLICY**

The District changed its accounting policy on the recognition of revenues from ad valorem taxes and the related state revenue sharing for the year ended December 31, 2000. Ad valorem taxes for the 2000 tax roll become due on November 15, 2000 and become delinquent on December 31<sup>st</sup>. These taxes are levied to finance the budget for the 2001 year and will be recognized as revenue in 2001. The taxes levied are reported as deferred revenue as of December 31, 2000.

Accordingly, the change in accounting for ad valorem and the related state revenue sharing had the effect of reducing revenue for the year ended December 31, 2000 by \$120,707. This accounting policy change was made because the 2000 ad valorem taxes are levied to fund the 2001 budget.

**Note 3 - DEPOSITS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in State of Louisiana or any other federally insured investment.

State law requires deposits (cash and certificates of deposit) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agents but not in the District's name and deposits which are uninsured or uncollateralized.

The year end bank balances and carrying amounts as shown on the combined balance sheet are as follows:

	Bank Balances			
	Category			Book
	1	2	3	Balance
Cash	\$ 7,473	\$ -	\$ -	\$ 7,089
Investments:				
Certificates of deposit	<u>200,000</u>	<u>-</u>	<u>578,287</u>	<u>778,287</u>
Totals	<u>\$207,473</u>	<u>\$ -</u>	<u>\$578,287</u>	<u>\$785,376</u>



**Note 3 - DEPOSITS (Continued)**

At December 31, 2000, certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Note 4 - PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2000. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2000 was \$.83 per \$1,000 of assessed valuation on property within Drainage District No. 1 for the purpose of maintaining and operating drainage works within the District. As indicated in Note 2, taxes levied November 1, 2000 are for budgeted expenditures in 2001 and will be recognized as revenues in 2001.

**Note 5 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at December 31, 2000 consisted of the following:

State of Louisiana - State revenue sharing	\$14,874
Lafourche Parish Tax Collector - December, 2000 collections remitted to the District in January, 2001:	
Ad valorem taxes	<u>72,676</u>
Total	<u>\$87,550</u>

**Note 6 - FIXED ASSETS**

All fixed assets are purchased for the use of the Council and are considered property of the Council. The Council is responsible for all maintenance on these assets, accordingly these assets are recorded in records of the Council.

During the year ended December 31, 2000, the District purchased an excavator for \$97,427.

**Note 7 - LONG-TERM DEBT**

At December 31, 2000, the District had outstanding public improvement bonds totaling \$95,000, which are repayable from ad valorem tax revenues.

The following is a summary of bond transactions of the District for the year ended December 31, 2000:

Bonds payable at January 1, 2000	\$140,000
Bonds retired	<u>45,000</u>
Bonds payable at December 31, 2000	<u>\$95,000</u>

Long-term debt is represented by the following individual issue:

<u>Public Improvement Bonds</u>	<u>Author- ized and Issued</u>	<u>Annual Installments</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Out- standing</u>
4/1/77	\$600,000	\$45,000-\$50,000	4.625-6.50	4/1/02	<u>\$95,000</u>

The annual requirements to amortize all long-term debt outstanding at December 31, 2000 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 45,000	\$ 3,595	\$ 48,595
2002	<u>50,000</u>	<u>1,156</u>	<u>51,156</u>
Totals	<u>\$95,000</u>	<u>\$4,751</u>	<u>\$99,751</u>



**Note 8 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

**Note 9 - COMPENSATION OF BOARD MEMBERS**

The District did not pay per diem to any of its Board Members for the year ended December 31, 2000.

## **SUPPLEMENTARY INFORMATION SECTION**



Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Commissioners,  
Lafourche Parish Drainage District No. 1,  
Galliano, Louisiana.

Our report on our audit of the general-purpose financial statements of Lafourche Parish Drainage District No. 1 (the District) for the year ended December 31, 2000, appears on page 1. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The information contained in the schedules of revenues and expenditures and graphs of revenues and expenditures for the year ended December 31, 2000 is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements for the year ended December 31, 2000, taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the balance sheets of Lafourche Parish Drainage District No. 1 as of December 31, 1999 and 1998, and the related statements of revenues, expenditures and changes in fund balance for each of the two years in the period ended December 31, 1999 (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information presented in the schedules of revenues and expenditures and graphs of revenues and expenditures for the years ended December 31, 1999 and 1998 is fairly stated in all material respects in relation to the general-purpose financial statements from which it has been derived.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Thibodaux, La.,  
February 12, 2001.

**SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND****Lafourche Parish Drainage District No. 1**

For the years ended December 31, 2000, 1999 and 1998

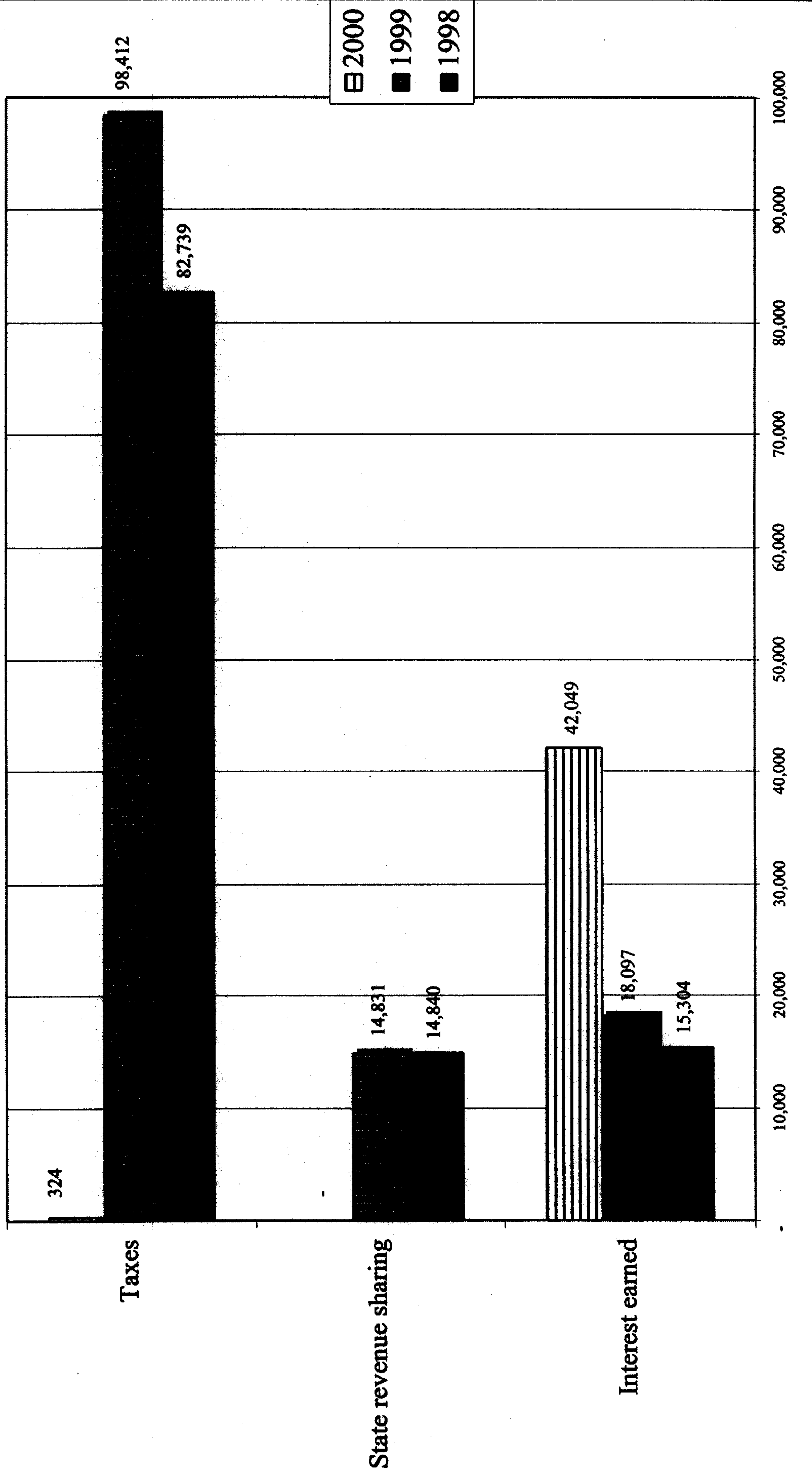
	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b>Revenues</b>			
Taxes	\$ 324	\$ 98,412	\$ 82,739
State revenue sharing	-	14,831	14,840
Interest earned	<u>42,049</u>	<u>18,097</u>	<u>15,304</u>
Total revenues	<u>\$ 42,373</u>	<u>\$ 131,340</u>	<u>\$ 112,883</u>
<b>Expenditures</b>			
General government	\$ 746	\$ 4,612	\$ 4,571
Personal services	14,468	13,796	13,151
Supplies and materials	175	187	108
Other services and charges	16,624	18,384	14,287
Repairs and maintenance	20,651	25,658	1,211
Capital Expenditures	<u>-</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>\$ 52,664</u>	<u>\$ 62,637</u>	<u>\$ 35,328</u>



**REVENUES - GENERAL FUND**

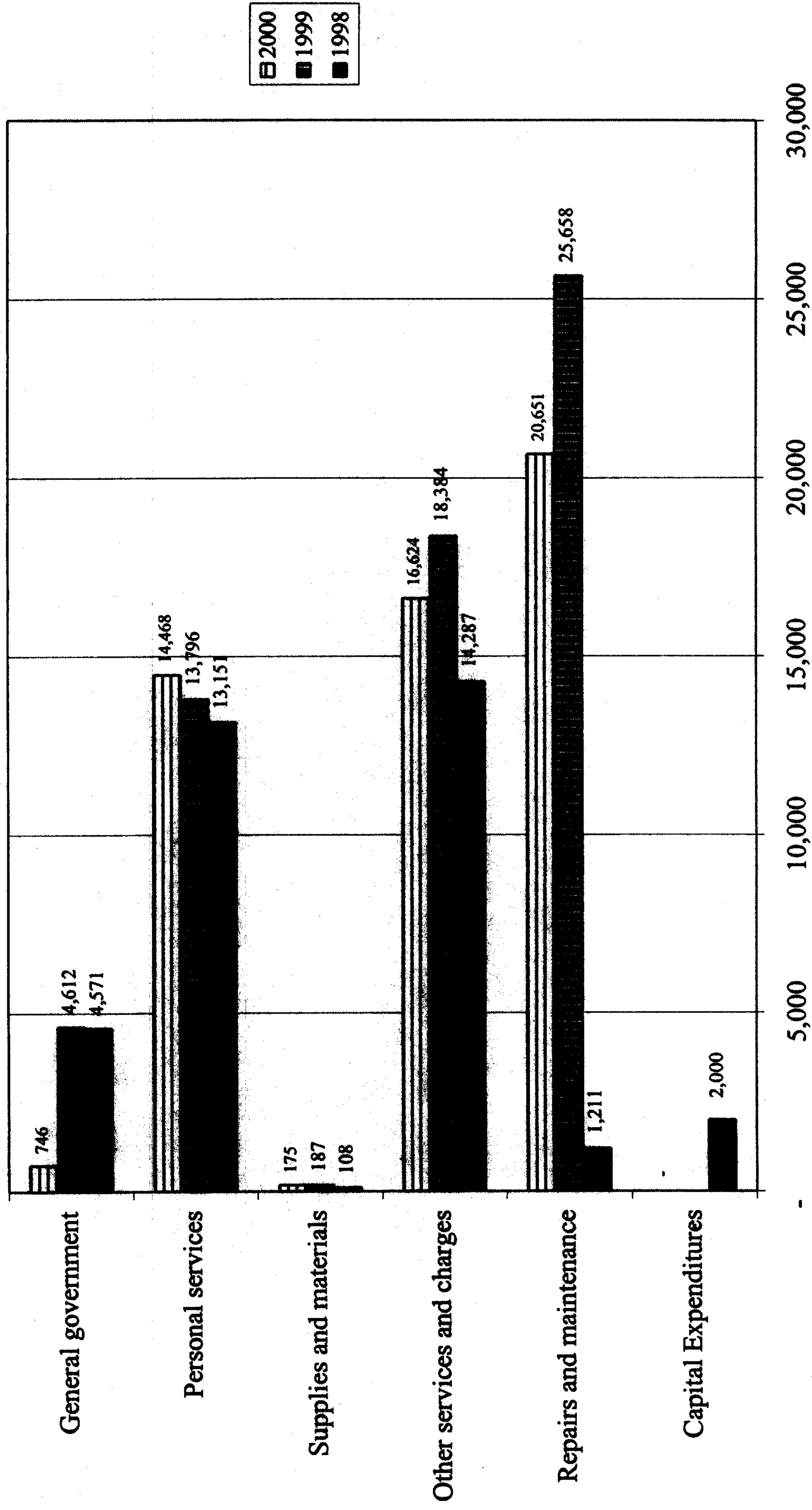
**Lafourche Parish Drainage District No. 1**

For the years ended December 31, 2000, 1999 and 1998



**EXPENDITURES - GENERAL FUND****Lafourche Parish Drainage District No. 1**

For the years ended December 31, 2000, 1999 and 1998



**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**SPECIAL REVENUE FUND**

**Lafourche Parish Drainage District No. 1**

For the years ended December 31, 2000, 1999 and 1998

	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b>REVENUES</b>			
Interest earned	\$ 6,266	\$ 1,373	\$ 1,003
Sale of assets	<u>5,900</u>	<u>48,000</u>	<u>10,000</u>
Total revenues	<u><u>\$ 12,166</u></u>	<u><u>\$ 49,373</u></u>	<u><u>\$ 11,003</u></u>
 <b>EXPENDITURES</b>			
Capital Outlay	\$ <u>97,427</u>	\$ <u>-</u>	\$ <u>-</u>
Total expenditures	<u><u>\$ 97,427</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**DEBT SERVICE FUND**

**Lafourche Parish Drainage District No. 1**

For the years ended December 31, 2000, 1999 and 1998

	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b>REVENUES</b>			
Taxes	\$ 295	\$ 40,806	\$ 82,962
Interest earned	<u>6,875</u>	<u>2,446</u>	<u>1,682</u>
Total revenues	<u><u>\$ 7,170</u></u>	<u><u>\$ 43,252</u></u>	<u><u>\$ 84,644</u></u>
 <b>EXPENDITURES</b>			
General government	\$ 2,700	\$ 2,857	\$ 4,570
Debt Service	<u>51,801</u>	<u>49,158</u>	<u>51,487</u>
Total expenditures	<u><u>\$ 54,501</u></u>	<u><u>\$ 52,015</u></u>	<u><u>\$ 56,057</u></u>



**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL-  
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,  
Lafourche Parish Drainage District No. 1,  
Galliano, Louisiana.

We have audited the general-purpose financial statements of the Lafourche Parish Drainage District No. 1 (the District), a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2000, and have issued our report thereon dated February 12, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely

affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 00-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe, the reportable condition described above is a material weakness.

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Thibodaux, La.,  
February 12, 2001.



## SCHEDULE OF FINDINGS

### **Lafourche Parish Drainage District No. 1**

For the year ended December 31, 2000

#### **Section I Summary of Auditor's Results**

##### **a) Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified?   X   yes        no
- Reportable condition(s) identified that are not considered to be material weaknesses?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

##### **b) Federal Awards**

Lafourche Parish Drainage District No. 1 did not receive federal awards during the year ended December 31, 2000.

#### **Section II Financial Statement Findings**

00-1 **Criteria** - Internal controls should be in place that provide reasonable assurance that all transactions are being properly recorded in the accounting records.

**Condition** - All accounting functions of the District are performed by the Secretary/Treasurer. The Secretary/Treasurer also co-signs checks.

**Questioned Costs** - None

**Context** - Not applicable

**Effect** - Lack of segregation of duties.

**SCHEDULE OF FINDINGS**  
**(Continued)**

**Lafourche Parish Drainage District No. 1**

For the year ended December 31, 2000

**Section II Financial Statement Findings (Continued)**

00-1 (Continued)

**Cause** - Secretary/Treasurer performs conflicting duties.

**Recommendation** - We recommend that a second board member be involved in the financial affairs of the District by co-signing checks, reviewing bank statements and cancelled checks and approving other significant financial matters.

**Management's Response** - The Secretary/Treasurer reports to the Board monthly on all financial activities. All significant financial matters are approved by the Board prior to disbursement of funds.

**Section III Federal Award Findings and Questioned Costs**

Not applicable.

## **REPORTS BY MANAGEMENT**



## **SCHEDULE OF PRIOR YEAR FINDINGS**

### **Lafourche Parish Drainage District No. 1**

For the year ended December 31, 2000

#### **Section I Internal Control and Compliance Material to the General-Purpose Financial Statements**

##### **Internal Control**

99-1 **Recommendation** - We recommended that a second board member be involved in the financial affairs of the District by co-signing checks, review of bank statements and cancelled checks, and approving other significant financial matters.

**Management's Response** - Unresolved, see finding 00-1 in the accompanying schedule of findings.

##### **Compliance**

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1999.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Lafourche Parish Drainage District No. 1 did not receive federal awards during the year ended December 31, 1999.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 1999.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **Lafourche Parish Drainage District No. 1**

For the year ended December 31, 2000

### **Section I Internal Control and Compliance Material to the General-Purpose Financial Statements**

#### **Internal Control**

00-1 **Recommendation** - We recommend that a second board member be involved in the financial affairs of the District by co-signing checks, reviewing bank statements and cancelled checks and approving other significant financial matters.

**Management's Corrective Action** - The Secretary/Treasurer reports to the Board quarterly on all financial activities. All significant financial matters are approved by the Board prior to disbursement of funds.

#### **Compliance**

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 2000.

### **Section II Internal Control and Compliance Material to Federal Awards**

Lafourche Parish Drainage District No. 1 did not receive federal awards during the year ended December 31, 2000.

### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2000.